

# Engineering Exports and Imports Monitor

February 2021



*Engineering the future*

**EEPCINDIA**  
ENGINEERING THE FUTURE

**Analysis of Indian engineering exports and imports for February 2021**  
**17<sup>th</sup> March 2021**

**Overall Scenario**

**Merchandise trade**

**Growth in Exports continued for the fourth straight month to February 2021**

- ✚ Merchandise exports continued to grow for the fourth month in a row on a year-on-year basis. However, the growth in February 2021 at 0.67 percent in dollar terms was just marginal and much lower than over 6 percent growth in the previous month. Exports in February 2021 were USD 27.93 Billion, as compared to USD 27.74 Billion in February 2020. In rupee terms, the growth was 2.46 percent.
- ✚ The commodities/commodity groups which have recorded decent positive growth during February 2021 vis-à-vis February 2020 were Other cereals (546.5%), Oil meals (245.45%), Iron ore (167.79%), Jute mfg. including floor covering (45.53%), Rice (30.78%), Meat, dairy & poultry products (26.43%), Cereal preparations & miscellaneous processed items (25.3%) among others. On the other hand, Oil seeds (-25.19%), Leather & leather products (-21.62%), Petroleum products (-20.87%), Cashew (-18.62%), Gems & jewellery (-11.19%), RMG of all textiles (-8.5%) and Engineering goods (-2.36%) were in the list of negative export growth.
- ✚ Cumulative exports continued to decline. It was recorded at USD 256.18 Billion during April-February 2020-21 as against USD 291.87 Billion during the same period last fiscal, registering a drop of 12.23 percent in Dollar terms. In rupee terms, the decline was 7.79 percent.
- ✚ Imports in February 2021 were USD 40.54 Billion, witnessing an increase of 6.96 percent over imports of USD 37.90 Billion in February 2020. The growth was 8.86 percent in Rupee terms.
- ✚ Cumulative value of imports for the period April-February 2020-21 was USD 340.80 Billion as against USD 443.24 Billion during the period April-February 2019-20, registering a negative growth of 23.11 percent in Dollar terms. In rupee terms, the decline was 19.26 percent.
- ✚ Trade deficit this time surged by 24.21 percent as it went up to USD 12.62 billion in February 2021 from USD 10.16 billion in February 2020. On a cumulative basis however, trade deficit declined by 44.10 percent to USD 84.62 billion during April-February 2020-21 from USD 151.37 billion during the same period last fiscal.

### **Engineering exports declined in February 2021 partly due to base effect**

- ✚ After achieving its highest year-on-year growth in January 2021, Shipment of engineering products from India again declined by 5.03 percent in February 2021. Engineering exports dropped to USD 6,560.94 million in February 2021 from USD 6,908.79 million during the same month last fiscal.
- ✚ Cumulative engineering exports from India also continued to decline. During April-February 2020-21, cumulative exports from India at USD 64,273.76 million was 8.36 percent lower as compared to the same period last fiscal at USD 70,136.40 million.
- ✚ Share of engineering in total merchandise exports dropped to 23.49 percent in February 2021 from 25.09 percent in January 2021 and 24.42 percent in December 2020. The share was 23.69 percent in November, 23.24 percent in October, 23.84 percent in September, 25.42 percent in August, 27.12 percent in July 2020, 26.57 percent in June 2020 and 28.72 percent in May 2020. However, on a cumulative basis, the share of engineering in total merchandise exports was recorded at 25.09 percent.
- ✚ Out of 33 engineering panels, 12 panels recorded negative growth and 21 panels recorded positive growth in exports during February 2021 vis-à-vis February 2020. In cumulative terms, 29 out of 33 panels exhibited a year-on-year decline in exports, while remaining four panels exhibited positive growth.
- ✚ 5 out of top 25 countries recorded positive cumulative growth in engineering exports during April-February 2020-21 over April-February 2019-20 while 9 out of top 25 countries recorded positive year on year growth in February 2021.

### **India's engineering imports declined by 3 percent year-on-year in February 2021**

- ✚ India's Engineering imports during February 2021 dropped to USD 8594.70 million from USD 8857.40 million in February 2020 registering a negative growth of 3.0 percent.
- ✚ On a cumulative basis, engineering imports declined by 24.5 percent to USD 72891.0 million during April-February 2020-21 from USD 96582.90 million during the same period last fiscal.
- ✚ The share of engineering imports in India's total merchandise imports declined to 21.2 percent in February 2021 from 21.7 percent in January 2021.

## Analysis of India's engineering exports

### 1. Engineering exports: Monthly trend

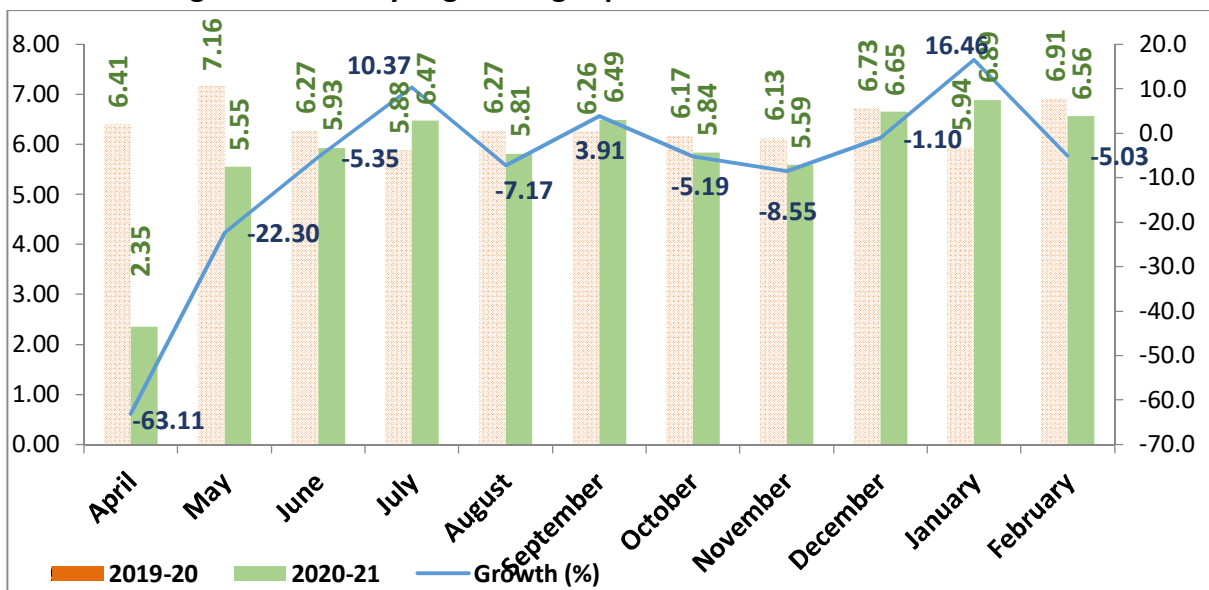
The monthly engineering figures for 2020-21 vis-à-vis 2019-20 are shown below as per the latest DGCIS estimates:

**Table 1: Engineering Exports: Monthly trend 2020-21**  
(US\$ million)

Month	2019-20	2020-21	Growth (%)
April	6410.79	2364.85	-63.11
May	7159.43	5562.66	-22.30
June	6274.90	5939.36	-5.35
<b>April-June</b>	<b>19845.12</b>	<b>13866.86</b>	<b>-30.12</b>
July	5877.95	6487.41	10.37
August	6273.83	5823.70	-7.17
September	6257.50	6502.11	3.91
<b>July-September</b>	<b>18409.28</b>	<b>18813.22</b>	<b>2.19</b>
October	6171.31	5850.74	-5.19
November	6129.02	5604.94	-8.55
December	6731.46	6657.48	-1.10
<b>October-December</b>	<b>19031.79</b>	<b>18113.15</b>	<b>-4.83</b>
January	5941.41	6919.59	16.46
February	6908.79	6560.94	-5.03
<b>April-February</b>	<b>70136.40</b>	<b>64273.76</b>	<b>-8.36</b>

Source: DGCIS, Govt. of India.

**Figure 1: Monthly Engineering Exports in 2020-21 vis-à-vis 2019-20**



Source: DGCIS&S, EEPC research

## 2. Correlation between Manufacturing Production and Engineering Exports

Engineering sector is an important component of the broader manufacturing sector and the share of engineering production in overall manufacturing output is quite significant. As exports generally come from what is produced within a country, some correlation between manufacturing production growth and engineering export growth should exist. We briefly looked at the trend in manufacturing growth as also engineering export growth to see if they move in tandem. It may be mentioned that manufacturing has 77.63% weightage in India's industrial production.

**During fiscal 2019-20, engineering exports growth and manufacturing growth moved in the same direction in as many as nine out of twelve months, including March 2020.** The first four months of Fiscal 2020-21 saw both of them moved in the same direction but the month of August saw the opposite. However, both moved in the same direction during September 2020 when both engineering exports and manufacturing output witnessed improvement over the month. The month of October however saw manufacturing output came back to growth path but engineering exports recorded negative growth while the month of November and December 2020 saw both of them moving in the same direction once again. January however saw both of them moving in opposite direction. The following table depicts the short-term trend of both manufacturing output and engineering exports.

**Table 2: Engineering exports growth vis-à-vis manufacturing growth from April 2019**

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
April 2019	-7.70	2.5
May 2019	4.57	4.4
June 2019	-2.46	0.3
July 2019	-1.72	4.8
August 2019	-8.99	-1.6
September 2019	-6.27	-4.0
October 2019	1.63	-2.1
November 2019	8.00	3.0
December 2019	-1.05	-0.3
January 2020	-4.52	1.6
February 2020	8.90	3.1
March 2020	-42.52	-20.6
April 2020	-63.11	-66.6
May 2020	-22.30	-37.8
June 2020	-5.35	-17.0
July 2020	10.37	-11.4
August 2020	-7.17	-7.6
September 2020	3.91	-0.4
October 2020	-5.19	4.5

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
November 2020	-8.55	-2.0
December 2020	-1.10	2.1
January 2021	16.46	-2.0
February 2021	-5.03	N A

(Source: Department of Commerce and CSO)

We also present the month-wise revised engineering exports for 2019-20 as compared to 2018-19.

**Table 3: Revised engineering exports for 2019-20 (US\$ million)**

Months	2018-19	2019-20	Growth (%)
April	7020.54	6410.79	-8.69
May	6928.08	7159.43	3.34
June	6512.31	6274.90	-3.65
<b>Quarter 1</b>	<b>20460.93</b>	<b>19845.12</b>	<b>-3.01</b>
July	6052.64	5877.95	-2.89
August	6974.48	6273.83	-10.05
September	6769.15	6257.50	-7.56
<b>Quarter 2</b>	<b>19796.27</b>	<b>18409.28</b>	<b>-7.01</b>
October	6151.93	6171.31	0.32
November	5740.17	6129.02	6.77
December	6905.63	6731.46	-2.52
<b>Quarter 3</b>	<b>18797.73</b>	<b>19031.79</b>	<b>1.25</b>
January	6295.94	5941.41	-5.63
February	6442.37	6908.79	7.24
March	9162.30	5266.90	-42.52
<b>Quarter 4</b>	<b>21900.61</b>	<b>18117.1</b>	<b>-17.28</b>
<b>April-March</b>	<b>80955.54</b>	<b>75403.3</b>	<b>-6.86</b>

Source: DGCI&S \* Revised data for 2019-20 upto Feb 2020

### Impact of Exchange Rate

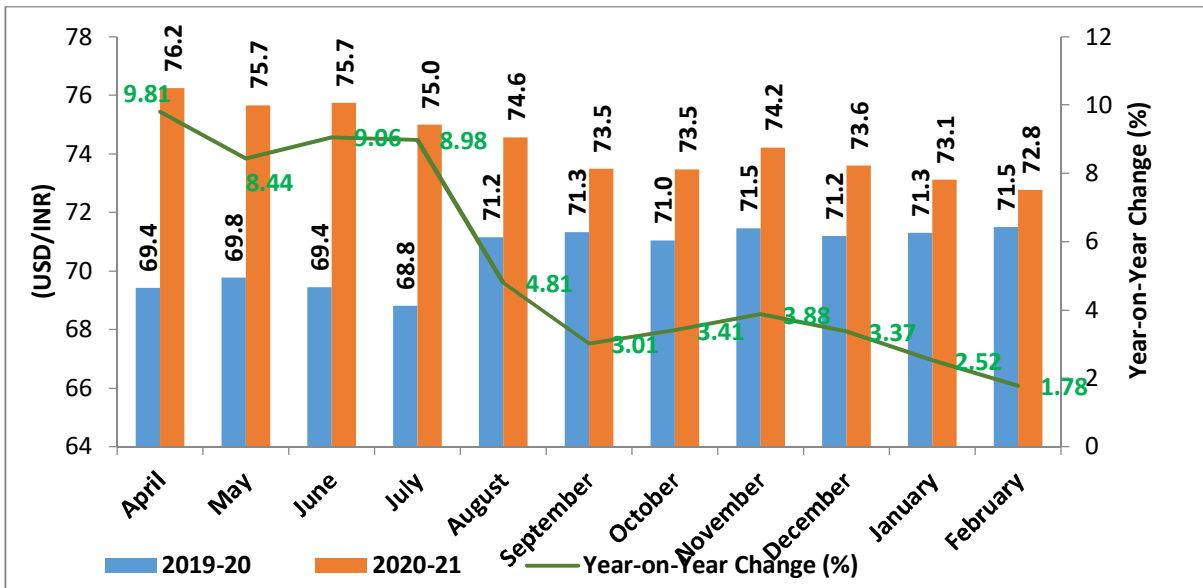
How did the exchange rate fare during February 2021 and what was the recent trend in Re-Dollar movement? In order to get a clearer picture of the recent Re-Dollar trend, not only we took the exchange rate of February 2021, but considered monthly average exchange rate of Rupee vis-à-vis the US Dollar for each month of fiscal 2019-20 against those of 2020-21 as mere one month figure does not reflect any trend. The tables and the charts below depict the short-term trend clearly:

**Table 4A: USD-INR monthly average exchange rate in 2020-21**

(As per latest data released by FBIL)

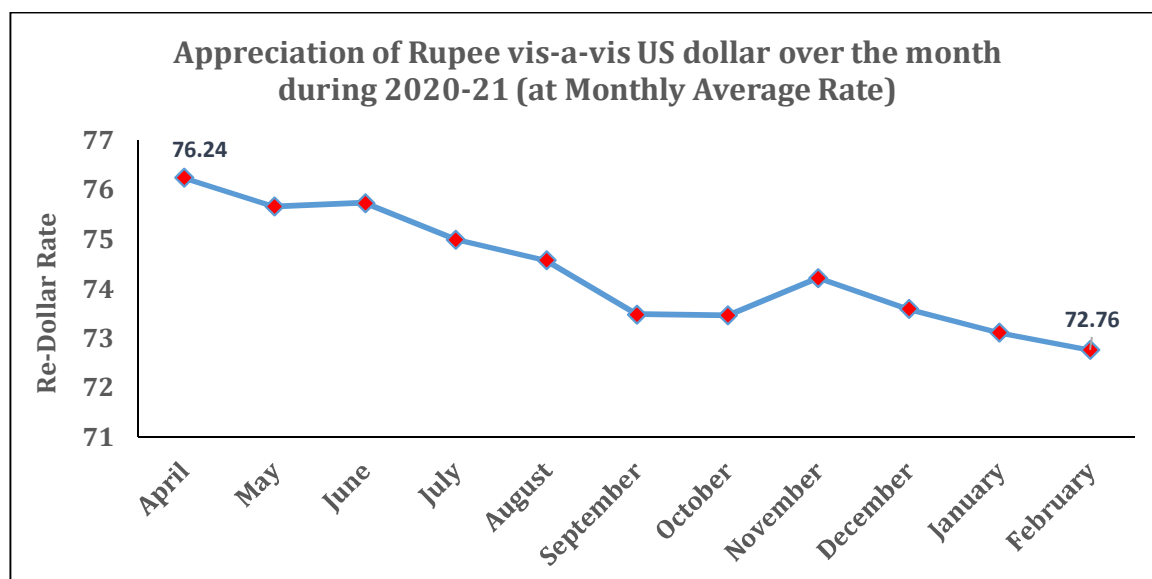
Month	Monthly Average Exchange Rate (1 USD to INR)		Year-on-Year Change (%)	Direction	Month-on-Month Change (%)	Direction
	2019-20	2020-21				
April	69.43	76.24	9.81	Depreciation	2.54	Depreciation
May	69.77	75.66	8.44	Depreciation	-0.76	Appreciation
June	69.44	75.73	9.06	Depreciation	0.09	Depreciation
July	68.81	74.99	8.98	Depreciation	-0.98	Appreciation
August	71.15	74.57	4.81	Depreciation	-0.56	Appreciation
September	71.33	73.48	3.01	Depreciation	-1.46	Appreciation
October	71.04	73.46	3.41	Depreciation	-0.03	Appreciation
November	71.45	74.22	3.88	Depreciation	1.03	Depreciation
December	71.19	73.59	3.37	Depreciation	-0.85	Appreciation
January	71.31	73.11	2.52	Depreciation	-0.65	Appreciation
February	71.49	72.76	1.78	Depreciation	-0.48	Appreciation

Figure 2A: Performance of Rupee against US Dollar in 2020-21 vis-à-vis 2019-20 (Monthly Average)



Source: RBI, FBIL, EEPC Research

**Figure2B: Strengthening of Rupee vis-à-vis the US Dollar during fiscal 2020-21 (Monthly Average)**



Source: FBIL

Rupee continued to weaken vis-à-vis the US Dollar on a year-on-year (y-o-y) basis but month-on-month (m-o-m) trend showing the opposite: Rupee depreciated by 1.78 percent during February 2021 over the same month last fiscal, but the month-on-month figure showed that rupee has been appreciating during the last seven months. Rupee appreciated by 0.48 percent to 72.76 in February 2021 from 73.11 in the previous month. After a record low in April 2020, rupee has been continuously strengthening vis-à-vis the greenback.

**Note:** For the purpose of both y-o-y and m-o-m trend analysis, monthly average of the USD/INR exchange rate as obtained from FBIL was considered.

**Outlook:** Rupee, for the first time in fiscal 2020-21 dropped below 73 per US Dollar and has been gradually appreciating to reach the level of 72 by the end of the ongoing fiscal. In line with our expectation.

**Performance of Rupee over US Dollar in 2019-20 vis-à-vis 2018-19**

**Table 4B: USD-INR average exchange rate in 2019-20**

Month	Average Exchange Rate (1 USD to INR)		Year-on-Year Change (%)	Direction
	2018-19	2019-20		
April	65.64	69.42	5.76	Depreciation
May	67.53	69.77	3.32	Depreciation
June	67.79	69.44	2.43	Depreciation
July	68.69	68.81	0.17	Depreciation
August	69.55	71.15	2.30	Depreciation

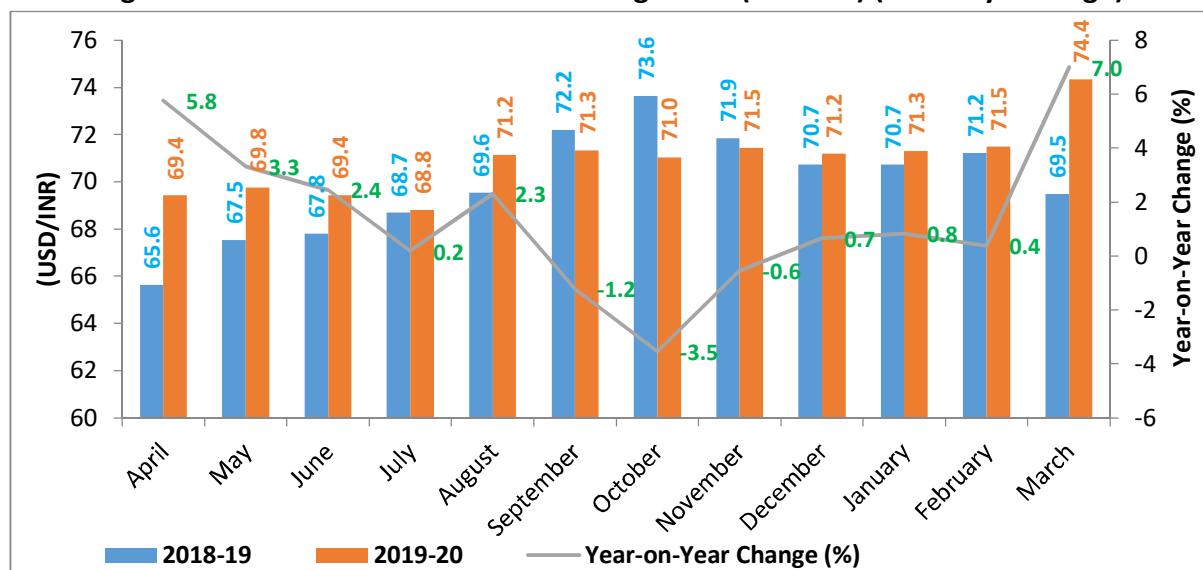


Month	Average Exchange Rate (1 USD to INR)		Year-on-Year Change (%)	Direction
	2018-19	2019-20		
September	72.21	71.33	-1.22	Appreciation
October	73.63	71.03	-3.53	Appreciation
November	71.85	71.45	-0.56	Appreciation
December	70.73	71.19	0.65	Depreciation
January	70.73	71.31	0.82	Depreciation
February	71.22	71.49	0.38	Depreciation
March	69.48	74.35	7.01	Depreciation
<b>April – March (Monthly Avg.)</b>	<b>69.92</b>	<b>70.90</b>	<b>1.46</b>	<b>Depreciation</b>

Source: RBI, FBIL

During 2019-20, Rupee depreciated over the US Dollar between April to August 2019 but at a narrowing rate over the month and then witnessed some appreciation in the next three months. December 2019 to February 2020 again saw marginal depreciation of rupee over the greenback but the month of March 2020 saw a record low of rupee as COVID-19 Pandemic started taking toll on investors' sentiment. The pictorial representation may provide a clearer picture.

**Figure2C: Movement of USD-INR Exchange Rate (2019-20) (Monthly Average)**



Source: RBI, FBIL, EEPC Research

### 3. Top 25 engineering export destinations in February 2021

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during April- February 2021 over April- February 2020.

**Table-5: Engineering exports country wise (April-February 2021)**

US\$ million

Country	February 2020	February 2021	Growth (%)	Apr-February 2019-20	Apr-February 2020-21	Growth (%)
U S A	1105.55	927.38	-16.12	10830.27	9405.44	-13.16
CHINA	140.20	235.58	68.03	1997.80	4276.49	114.06
UAE	505.09	233.75	-53.72	4055.87	2831.09	-30.20
SINGAPORE	173.00	212.96	23.10	2153.64	2500.68	16.11
GERMANY	228.22	260.85	14.30	2786.00	2347.40	-15.74
MALAYSIA	162.49	131.79	-18.89	2133.36	2209.36	3.56
NEPAL	210.80	267.50	26.90	2366.77	1992.02	-15.83
KOREA	138.68	135.28	-2.45	1765.23	1755.64	-0.54
MEXICO	217.71	137.28	-36.94	2177.55	1696.18	-22.11
BANGLADESH	187.66	180.07	-4.04	2173.15	1688.33	-22.31
VIETNAM	128.03	114.76	-10.36	1640.78	1600.15	-2.48
U K	189.76	183.78	-3.15	2454.46	1592.31	-35.13
SAUDI ARAB	150.80	117.52	-22.07	1480.99	1580.15	6.70
ITALY	137.43	184.69	34.39	1790.31	1558.22	-12.96
THAILAND	138.43	184.15	33.02	1437.17	1461.32	1.68
SOUTH AFRICA	113.74	121.16	6.52	1395.39	1388.91	-0.46
INDONESIA	494.66	154.13	-68.84	1517.84	1230.82	-18.91
FRANCE	148.42	119.06	-19.79	1278.64	1123.41	-12.14
NIGERIA	144.69	131.03	-9.44	1606.40	1105.89	-31.16
TURKEY	122.67	121.22	-1.19	1068.40	1028.13	-3.77
JAPAN	106.02	98.95	-6.67	936.73	900.69	-3.85
BRAZIL	99.17	114.36	15.31	970.67	889.75	-8.34
BELGIUM	62.31	133.27	113.87	930.92	867.69	-6.79
SRI LANKA	99.18	67.96	-31.48	1122.92	836.33	-25.52
NETHERLAND	136.17	126.00	-7.47	852.75	823.63	-3.42
<b>Total engineering exports to top 25 countries</b>	5340.88	4694.47	-12.10	52924.00	48690.03	-8.00
<b>Total engineering exports</b>	6908.79	6560.94	-5.03	70136.40	64273.76	-8.36
<b>Share (%)</b>	77.31	71.55		75.46	75.75	

Source: DGCI&S

### India's top 25 engineering export destinations: Some observations

- Like the previous months 5 out of 25 countries recorded positive cumulative growth in engineering exports during April- February 2021 over April- February 2020. While 9 out of 25 countries recorded positive year on year growth in February 2021, which is less than the previous months record of 16 countries.

- USA has retained its position as the topmost destination for India's engineering products during April-February 2021 over April-February 2020. But exports to USA fell down both in cumulative terms as well as in monthly terms.
- Exports to China, India's second largest export destination have recorded a positive monthly as well as positive cumulative growth of more than 114%.
- Like the previous months within the ASEAN region, monthly export growth recorded positive for Singapore and Thailand. Negative monthly export growth was noted in Malaysia, Indonesia and Vietnam. In cumulative terms though, exports to all the above mentioned ASEAN countries grew barring Vietnam and Indonesia.
- UAE retained its third position of largest export destination for Indian engineering sector although it recorded negative export growth both in cumulative and monthly terms.
- Among the European nations, Germany recorded a significant positive monthly growth after a long time, apart from Italy and Belgium, among India's top 25 engineering export destinations while France and UK recorded a negative monthly growth. All the European countries recorded a negative cumulative growth during April- February 2021 over April-February 2020.
- The share of India's engineering exports to its top 25 nations accounted for 75.8 percent of India's total engineering exports in April-February 2021. This significant high share is indicative of the dependence of India's engineering export on the traditional markets.

#### 4. Region wise India's engineering exports

The following table depicts region wise India's engineering exports for April-February 2021 as opposed to April-February 2020.

**Table 6: Region wise engineering exports in April-February 2021**

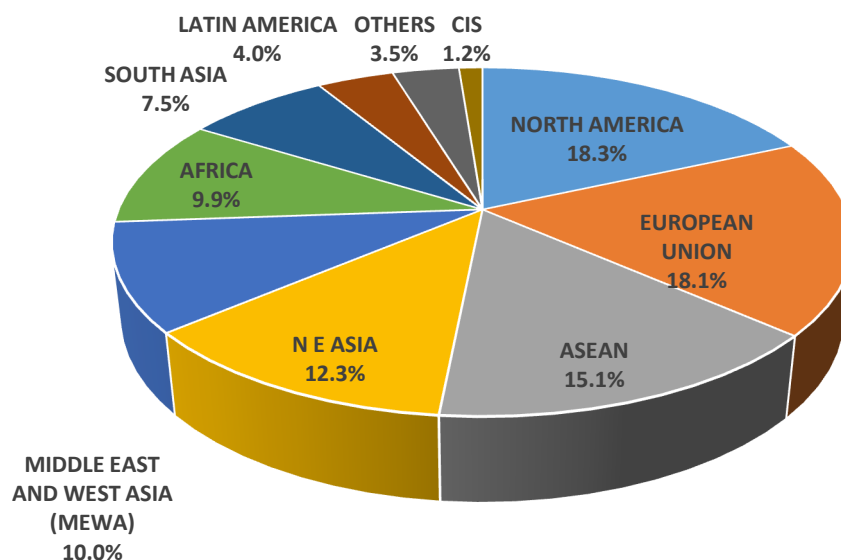
US\$ million

Region	Feb-20	Feb-21	Growth (%)	Apr-February 2019-20	Apr-February 2020-21	Growth (%)
<b>NORTH AMERICA</b>	1414.44	1130.40	-20.08	13847.01	11783.44	-14.90
<b>EUROPEAN UNION</b>	1196.57	1471.77	23.00	13414.50	11651.69	-13.14
<b>ASEAN</b>	1180.66	863.41	-26.87	9832.93	9702.33	-1.33
<b>N E ASIA</b>	434.37	560.27	28.98	5531.88	7885.20	42.54
<b>MIDDLE EAST AND WEST ASIA (MEWA)</b>	926.41	674.34	-27.21	7997.02	6441.45	-19.45
<b>AFRICA</b>	620.31	669.14	7.87	7037.52	6393.04	-9.16
<b>SOUTH ASIA</b>	538.09	552.00	2.58	6137.45	4821.81	-21.44
<b>LATIN AMERICA</b>	310.96	338.61	8.89	3122.50	2575.40	-17.52
<b>OTHERS</b>	216.91	219.23	1.07	2318.76	2232.47	-3.72
<b>CIS</b>	70.06	81.77	16.72	896.83	786.92	-12.26
<b>Grand Total</b>	6908.79	6560.94	-5.03	70136.40	64273.76	-8.36

Source: DGCI&S

Note: \*Figures have been rounded off. Source: DGCI&S; \*\*Myanmar has been included in ASEAN and not in South Asia, since ASEAN is a formal economic grouping.

**Figure 3: Region-wise shares of India's engineering exports during April-February 2021**



Source: Data from DGCI&S and EEPC India analysis

### Region wise engineering exports: some observations

- ✚ North America ranked as the numero uno destination, as the region with highest shipment of engineering products from India during April-January 2021 over April-February 2020 with a share of 18.3% percent of total engineering exports.
- ✚ India's exports to EU and ASEAN ranked second and third in terms of global shipments of Indian engineering goods in April-February 2021 with a share of 18.1 percent and 15.1 percent of total engineering exports respectively.
- ✚ North East Asia ranked fourth in global shipments of Indian engineering goods in April-February 2021 with a share of 12.3 percent, which is lower in comparison to its last month share.
- ✚ Engineering exports to EU recorded positive monthly growth during February 2021 compared to February after a long hiatus. Other regions which registered positive monthly growth in February 2021 viz-a-viz February 2020 includes North East Asia, Africa, South Asia, Latin America, CIS and others. In cumulative terms like before only North East Asia recorded positive growth.

### 5. Panel Wise Engineering Exports

We begin by looking at the Engineering Panel wise exports for the month of February 2021 vis-a-vis February 2020 as well as April-February 2020-21 vis-à-vis April-February 2019-20. The data is given in Table 7 below:

**Table 7: Trends in engineering panel Exports for February 2021 compared to February 2020 as well as April-February 2020-21 vis-à-vis April-February 2019-20**

US\$ Million						
Engineering Panels	February 2020	February 2021	Growth (%)	Apr-February 2019-20	Apr-February 2020-21	Growth (%)
<b>Iron and Steel and Products made of Iron and Steel</b>						
Iron and Steel	685.47	975.59	42.33	8633.94	10405.70	20.5
Products of Iron and Steel	609.40	662.81	8.76	6544.14	5811.67	-11.2
<b>Sub Total</b>	<b>1294.87</b>	<b>1638.4</b>	26.53	<b>15178.1</b>	<b>16217.4</b>	6.85
<b>Non-Ferrous Metals and Products made of Non-Ferrous Metals</b>						
Copper and products	69.69	125.99	80.80	861.09	1157.52	34.42
Aluminium and products	425.28	495.80	16.58	4733.19	5147.02	8.74
Zinc and products	54.48	62.63	14.96	512.53	675.80	31.86
Nickel and products	4.33	5.59	29.2	94.60	52.76	-44.23
Lead and products	24.10	29.56	22.66	345.49	320.07	-7.36
Tin and products	0.73	0.57	-22.31	9.33	7.78	-16.59
Other Non-Ferrous Metals	48.51	61.89	27.57	507.21	497.80	-1.85
<b>Sub Total</b>	<b>627.113</b>	<b>782.021</b>	24.70	<b>7063.44</b>	<b>7858.74</b>	11.26
<b>Industrial Machinery</b>						
Industrial Machinery like Boilers, parts, etc	70.05	45.01	-35.8	767.20	478.62	-37.6
IC Engines and Parts	224.56	249.54	11.1	2367.35	2191.87	-7.4
Pumps of all types	71.05	78.54	10.55	896.91	777.88	-13.27
Air condition and Refrigerators	114.52	102.95	-10.1	1287.51	943.05	-26.8
Industrial Machinery for dairy, food processing , textiles etc	453.57	471.28	3.9	4602.91	4123.85	-10.4
Machine Tools	36.15	42.91	18.67	401.89	363.42	-9.57
Machinery for Injecting moulding, valves and ATMs	144.79	149.38	3.2	1636.35	1430.23	-12.6
<b>Sub Total</b>	<b>1114.69</b>	<b>1139.6</b>	2.2	<b>11960.1</b>	<b>10308.9</b>	-13.81
Electrical Machinery	885.59	695.89	-21.42	8273.81	7263.85	-12.21
<b>5. Automobiles and Auto components and Parts</b>						

Engineering Panels	February 2020	February 2021	Growth (%)	Apr-February 2019-20	Apr-February 2020-21	Growth (%)
Motor Vehicle/cars	674.40	420.41	-37.7	7101.03	4485.59	-36.8
Two and Three Wheelers	181.80	237.61	30.7	1947.27	1776.07	-8.8
Auto Components/Part	458.52	545.60	18.99	4938.68	4320.08	-12.53
<b>Sub Total</b>	<b>1314.72</b>	<b>1203.62</b>	<b>-8.45</b>	<b>13986.97</b>	<b>10581.74</b>	<b>-24.35</b>
Aircrafts and Spacecraft parts and products	141.35	73.31	-48.14	1346.32	1053.00	-21.79
Ships Boats and Floating products and parts	799.01	245.97	-69.22	4318.51	3867.21	-10.45
<b>8. Other engineering products</b>						
Medical and Scientific instruments	156.55	156.11	-0.28	1639.31	1538.87	-6.13
Railway Transport	7.48	13.05	74.38	233.57	94.89	-59.37
Hand Tools & Cutting Tools	62.85	70.79	12.62	703.16	632.10	-10.11
Electrodes Accumulators	4.14	4.07	-1.55	51.27	38.52	-24.87
Accumulator and Batteries	30.11	36.93	22.64	385.00	348.40	-9.51
Bicycle & Parts	31.82	35.13	10.39	359.79	307.86	-14.43
Cranes Lifts & Winches	43.19	42.71	-1.10	524.76	416.32	-20.67
Office Equipment	12.94	16.09	24.40	166.75	120.14	-27.95
Other Construction Machinery	137.50	126.26	-8.18	1318.90	1072.62	-18.67
Prime Mica & Mica Products	2.59	1.71	-33.81	37.36	21.74	-41.81
OTHER MISC. ITEMS	242.29	279.28	15.27	2589.29	2531.46	-2.23
<b>Sub Total</b>	<b>731.5</b>	<b>782.1</b>	<b>6.9</b>	<b>8009.2</b>	<b>7122.9</b>	<b>-11.1</b>
<b>Total engineering exports</b>	<b>6908.8</b>	<b>6560.9</b>	<b>-5.03</b>	<b>70136.4</b>	<b>64273.8</b>	<b>-8.4</b>

Source: DGCI&S

#### Engineering ferrous and non-ferrous products with negative growth in February 2021

- Exports of Tin and products under Chapter 80: fell by 22.3% in February 2021 and 16.6% in April-February 2020-21

- ✚ After displaying a remarkable turnout recording its highest growth in January 2021, Indian engineering exports once again witnessed negative growth in February 2021 to the extent of 5.03% (year- on year) from US\$ 6908.8 million in February 2020 to US\$ 6560.9 million in February 2021. India's merchandised exports in February 2021 exhibited a positive growth of 0.67% compared to that of February 2020, unlike the engineering exports that once again dipped to the negative trajectory. In cumulative terms, India's engineering exports recorded a decline to the extent of 8.4% from US\$ 70136.4 million in April-February 2019-20 to US\$ 64273.8 million in April-February 2020-21, given the fact that COVID still continues to impact global trade and economy negatively.
- ✚ Out of 33 engineering panels, 12 panels recorded negative growth and 21 panels recorded positive growth in exports during February 2021 vis-à-vis February 2020. In cumulative terms, 29 out of 33 panels exhibited a year-on-year decline in exports, while remaining four panels exhibited positive growth.
- ✚ Exports of Iron and steel recorded positive growth to the extent of 42.33% in February 2021 compared to same period last year. With progressive opening of the economy and improving economic activities leading to better domestic demand, resulted in moderation in exports and relatively increasing import in recent months. Furthermore, exports of products of iron and steel increased by 8.76% in February thereby resulting a jump in exports of the total group by 26.53% in Feb 2021. The total segment recorded a 6.85% increase in exports in cumulative terms.
- ✚ In case of non-ferrous metals, segments like Copper and products recorded a massive increase to the extent of 80.80% from US\$ 69.69 million in February 2020 to US\$ 125.99 million in February 2021. Other non-ferrous segments like Aluminium and products, Zinc and products, Nickel and products and Lead and products, witnessed increase in exports to the extent of 16.58%, 14.96%, 29.2% and 22.66% respectively during February 2021. Segment like Tin and products witnessed negative growth to the extent of 22.31% in the month of February 2021.
- ✚ Within industrial machinery, overall there has been a marginal increase to the extent of 2.2% during February 2021 compared to that of February 2020. While cumulative exports during April-February 2020-21 registered negative growth to the extent of 13.81% compared to same period last fiscal. Negative export performance was noticed only in segments like industrial machinery for Boilers dropping by 35.8% and in air-condition and refrigeration machinery by 10.1% during February 2021 compared to same period last fiscal. While all other segments of industrial machinery witnessed positive monthly growth. IC Engines witnessed 11.1%, Pumps of all types witnessed 10.55%, machinery for dairy, food processing witnessed 3.9% growth, Machine Tools witnessed 18.67% growth, and other industrial machinery registered 3.2% growth during February 2021 compared to same period last fiscal. In cumulative terms, the growth has been negative to the extent of 13.81%, given the significant decline in exports witnessed in all the sub sectors during April-February 2020-21.

- ✚ The electrical machinery segment showed negative growth in February 2021, unlike the pattern observed in the previous months. In February, exports dropped by 21.42% while in cumulative terms the exports dropped by 12.21%, given the sharp decline in exports the sector faced in the last few months of the current fiscal.
  
- ✚ Surprisingly in the auto components and parts sector, exports of two and three wheelers and auto components parts witnessed positive growth to the extent of 30.7 and 18.99% respectively during February 2021 vis-à-vis February 2020. On the other hand, exports in the entire automobile sector remained negative both in monthly and cumulative terms mainly due to subdued demand in Motor vehicles and cars. Exports in Automobiles fell by 23.15% in February 2021 and by 30.8% during April-February 2020-21 compared to same period last fiscal.
  
- ✚ Exports of aircraft, spacecraft and parts exhibited negative growth both monthly by 48.14% in February 2021 and in cumulative terms to the extent of 21.79% respectively. On the other hand, exports of ships, boats and floating structures also witnessed sharp decline from US\$ 799.01 million in February 2020 to US\$ 245.97 million falling by 69% in February 2021 and in cumulative terms exports dropped by 10.45%.
  
- ✚ In the rest of the engineering segments, while there was decline in few sectors. Increase in exports was noticed in case of Railway, transport and equipment which increased by 74.38%, Hand Tools and Cutting Tools increased by (12.62%), Accumulators and Batteries ( 22.64%), Bicycle and Parts increased by (10.39%), Office Equipments (24.40%) during February 2021 compared to February 2020. Prominent panels like Medical and Scientific Instruments, Electrodes and Accumulators, Cranes, Lifts and Winches, Other Construction Machinery and Prime Mica products witnessed decline in exports during February 2021 vis-à-vis February 2020 to the extent of 0.28%, 1.55%, 1.10%, 8.18% and 33.81% respectively.
  
- **Data for ferrous and non-ferrous panels experiencing a decline in the month of February 2021 vis-à-vis February 2020**

Table 8A: Chapter 80: Tin and Products					
Values in US\$ Million					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	0.56	0.65	16.1	0.18	-70.77
May	0.38	0.91	139.5	0.35	-61.54
June	0.84	0.97	15.5	0.55	-43.30
July	0.84	0.48	-42.9	0.87	81.25
August	0.81	1.22	50.6	0.51	-58.20
September	0.58	0.84	44.8	1.58	88.0

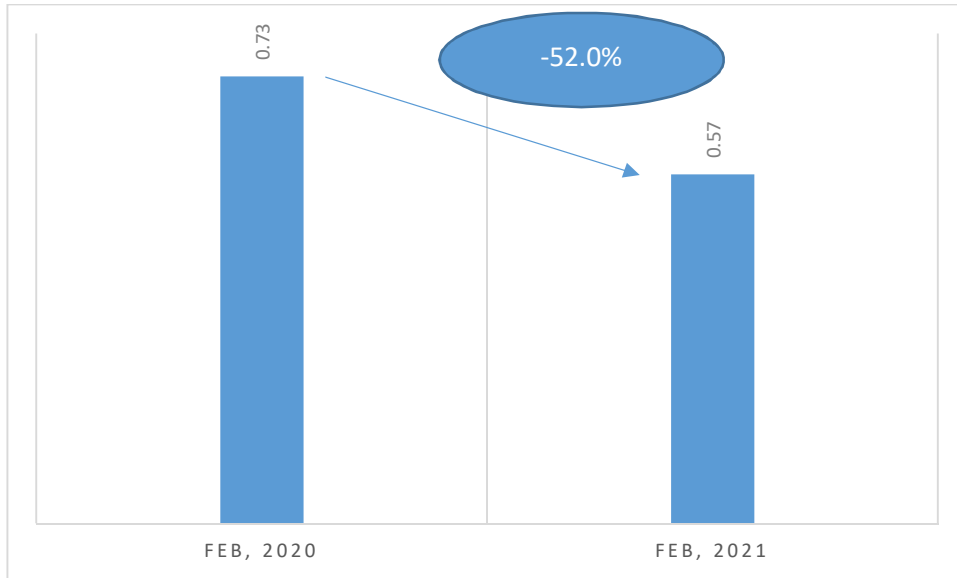


<b>October</b>	0.69	0.77	<b>13.0</b>	0.66	<b>-14.2</b>
<b>November</b>	1.17	1.09	<b>-6.0</b>	0.53	<b>-51.7</b>
<b>December</b>	0.46	1.23	<b>167.4</b>	0.59	<b>-52.0</b>
<b>January</b>	0.57	1.24	<b>117.5</b>	0.60	<b>-52.0</b>
<b>February</b>	1.26	0.73	<b>-57.1</b>	0.57	<b>-21.9</b>
<b>March</b>	1.25	0.48	<b>-61.60</b>		
<b>April-March</b>	9.83	9.86	<b>0.31</b>		

<b>Table 8B: Chapter 80: Tin and Products</b>					
<b>Quantities in '000 MT</b>					
<b>Month</b>	<b>2018-19</b>	<b>2019-20</b>	<b>Growth (%)</b>	<b>2020-21</b>	<b>Growth (%)</b>
<b>April</b>	0.073	0.062	<b>-15.05</b>	0.021	<b>-65.32</b>
<b>May</b>	0.123	0.119	<b>-2.92</b>	0.042	<b>-64.50</b>
<b>June</b>	0.130	0.098	<b>-23.99</b>	0.051	<b>-47.82</b>
<b>July</b>	0.063	0.061	<b>-10.69</b>	0.058	<b>-2.02</b>
<b>August</b>	0.072	0.110	<b>52.22</b>	0.050	<b>-54.04</b>
<b>September</b>	0.038	0.070	<b>75.19</b>	0.110	<b>66.77</b>
<b>October</b>	0.043	0.069	<b>60.22</b>	0.035	<b>-52.19</b>
<b>November</b>	0.063	0.074	<b>17.38</b>	0.035	<b>-52.19</b>
<b>December</b>	0.067	0.038	<b>-42.63</b>	0.096	<b>152.20</b>
<b>January</b>	0.073	0.062	<b>-15.05</b>		
<b>February</b>	0.123	0.119	<b>-2.92</b>		
<b>March</b>	0.130	0.098	<b>-23.99</b>		
<b>April-March</b>	0.063	0.061	<b>-10.69</b>		

**Reason for fall:** This month export of metals both ferrous and non-ferrous experienced a growth in exports barring Tin. The exports of Tin has been evident in the last two months despite of there being demand for the same. The global Tin market has been going through deficit due to increasing regulations in producer countries and depletion of ore reserves.

**Figure 4: Slump in Exports of Products of Tin and its products February, 2021 v/s February 2020 (in USD Million)**



## 6. Engineering panels – country-wise analysis

We now analyze the performance of some of the important products during January 2021. We have taken the major panels and computed the top importers and sharp declines to get an idea of the current trade pattern. (Tables 14-22)

**Table 9: Export of Iron & Steel**  
US\$ Million

COUNTRY	February 2020	February 2021	Growth (%)	Apr-February 2019-20	Apr-February 2020-21	Growth (%)
Top Five Importers						
CHINA	20.46	52.44	156.27	494.12	2413.01	388.35
VIETNAM	81.85	36.25	-55.71	1038.67	915.47	-11.86
NEPAL	86.88	105.75	21.72	900.28	823.37	-8.54
U A E	70.76	65.88	-6.89	703.10	692.55	-1.50
ITALY	41.45	82.33	98.59	665.35	691.41	3.92
High cumulative growth						
CHINA	20.46	52.44	156.27	494.12	2413.01	388.35
KENYA	0.73	5.07	598.86	23.30	96.08	312.37
INDONESIA	15.20	77.65	410.99	182.17	282.48	55.07
PHILIPPINES	5.76	3.33	-42.24	74.54	112.03	50.29
HONG KONG	0.35	0.39	10.97	64.16	88.51	37.96
Sharp cumulative decline						
BHUTAN	8.17	2.04	-75.07	76.11	34.92	-54.12
MALAYSIA	8.43	6.29	-25.40	217.67	119.62	-45.04

ETHIOPIA	2.55	1.52	-40.45	46.05	25.50	-44.63
BANGLADESH	24.26	25.10	3.48	315.77	201.06	-36.33
QATAR	2.72	2.69	-1.31	43.25	33.55	-22.41

(Source: Department of Commerce, Government of India)

- China, Vietnam and Nepal were the three top three importers of Indian Iron and Steel during April 2020-February 2021 with market shares of 23.19 percent, 8.80 percent and 7.91 percent respectively.
- China recorded a substantial growth of 388.35 percent followed by Kenya and Indonesia exhibiting growth of 312.37 percent and 55.07 percent respectively in exports of Indian Iron and Steel during April 2020- February 2021 compared to April 2019- February 2020.
- Malaysia and Bhutan experienced sharp downfall to the extent of more than 45% in exports during April 2020- February 2021 compared to same period last fiscal.

**Table 10: Export of Products of Iron & Steel**

US\$ Million

COUNTRY	February 2020	February 2021	Growth (%)	Apr-February 2019-20	Apr-February 2020-21	Growth (%)
<b>Top Five Importers</b>						
U S A	130.71	156.47	19.70	1490.50	1301.94	-12.65
U A E	36.79	27.97	-23.98	387.67	284.28	-26.67
GERMANY	29.75	28.95	-2.69	352.58	282.48	-19.88
CANADA	39.08	13.54	-65.35	358.75	262.34	-26.87
U K	28.34	29.84	5.29	279.52	232.99	-16.65
<b>High cumulative growth</b>						
IRAQ	1.06	22.41	2020.65	5.48	25.62	367.84
EGYPT	2.83	3.40	19.92	33.27	63.53	90.96
VIETNAM	1.41	6.45	359.02	21.13	36.99	75.03
OMAN	9.11	30.18	231.24	115.93	180.75	55.91
KENYA	2.24	4.58	104.02	31.58	42.07	33.22
<b>Sharp cumulative decline</b>						
PERU	4.82	2.43	-49.60	65.77	15.83	-75.92
CHILE	2.18	2.23	2.28	51.54	25.34	-50.84
NIGERIA	8.18	7.62	-6.94	114.04	71.31	-37.47
KUWAIT	5.80	4.64	-19.93	59.96	37.82	-36.92
CHINA	15.00	5.70	-62.00	77.83	54.91	-29.45

(Source: Department of Commerce, Government of India)

- USA, UAE and Germany were the top three importers of India's 'Products of Iron & Steel' during April 2020- February 2021 with 22.40 percent, 4.89 percent and 4.86 percent shares respectively in India's global import of the same.
- Iraq experienced more than 367.84% growth followed by Egypt and Vietnam in import of 'Products of Iron and Steel' during April 2020- February 2021 compared to same period last fiscal.
- Peru and Chile conceded decline in imports by 75.92% and 50.84% respectively for the said product group from India during April 2020- February 2021.

**Table 11: Export of Industrial Machinery**

US\$ Million

COUNTRY	February 2020	February 2021	Growth (%)	Apr-February 2019-20	Apr-February 2020-21	Growth (%)
<b>Top Five Importers</b>						
U S A	176.64	182.12	3.10	1815.56	1597.50	-12.01
THAILAND	55.70	91.25	63.83	583.68	658.27	12.78
GERMANY	49.69	58.21	17.15	546.07	550.14	0.74
CHINA	43.20	48.66	12.64	526.41	514.63	-2.24
U A E	60.60	34.20	-43.57	500.85	417.67	-16.61
<b>High cumulative growth</b>						
BENIN	0.17	2.05	1080.10	3.90	18.42	371.94
TOGO	0.37	0.83	126.10	3.96	12.42	213.64
ALGERIA	3.24	10.04	210.31	45.87	79.18	72.64
ANGOLA	1.21	2.12	75.87	12.38	18.63	50.43
GUINEA	0.54	0.72	34.03	9.31	13.14	41.21
<b>Sharp cumulative decline</b>						
INDONESIA	20.88	17.87	-14.39	254.65	147.99	-41.88
RUSSIA	13.55	13.32	-1.67	257.42	157.21	-38.93
NIGERIA	44.63	34.63	-22.41	497.82	310.10	-37.71
BANGLADESH	46.52	39.77	-14.51	541.55	375.70	-30.62
ITALY	27.80	29.98	7.84	318.85	258.68	-18.87

(Source: Department of Commerce, Government of India)

- USA was the largest importer of Indian 'Industrial machinery' during April 2020- February 2021 with 15.50 percent share in India's global import of the product group. Thailand and Germany were the two immediate followers of USA with 6.39 percent and 5.34 percent shares respectively.
- Benin was the top importer with substantial growth of 371.94 percent followed by Togo, witnessing growth of more than 200 percent in imports of Industrial machinery

from India followed by Algeria, Angola and Guinea during April 2020- February 2021 over the same period last fiscal.

- Among the major importers, Indonesia, Russia and Nigeria exhibited decline of more than 35 percent in imports of Indian 'Industrial machinery' during April 2020- February 2021.

**Table 12: Automobiles**  
US\$ Million

COUNTRY	February 2020	February 2021	Growth (%)	Apr-February 2019-20	Apr-February 2020-21	Growth (%)
<b>Top Five Importers</b>						
MEXICO	145.77	47.16	-67.65	1330.04	884.74	-33.48
U S A	96.55	6.42	-93.35	892.65	520.74	-41.66
SOUTH AFRICA	62.78	56.35	-10.23	854.10	494.53	-42.10
SAUDI ARABIA	66.68	34.29	-48.58	637.90	475.42	-25.47
NIGERIA	46.49	51.33	10.40	502.07	418.13	-16.72
<b>High cumulative growth</b>						
EGYPT	11.07	12.81	15.77	33.19	118.41	256.74
AUSTRIA	7.50	8.11	8.02	35.33	60.04	69.95
TUNISIA	4.77	7.27	52.35	47.61	65.38	37.35
IRAQ	3.80	0.85	-77.55	46.61	60.32	29.39
KENYA	8.73	13.29	52.31	99.35	117.84	18.61
<b>Sharp cumulative decline</b>						
SRI LANKA	20.97	1.26	-94.00	232.13	7.26	-96.87
SOUTH AFRICA	62.78	56.35	-10.23	854.10	494.53	-42.10
U S A	96.55	6.42	-93.35	892.65	520.74	-41.66
BANGLADESH	25.12	24.05	-4.27	332.95	216.41	-35.00
MEXICO	145.77	47.16	-67.65	1330.04	884.74	-33.48
U A E	38.41	27.80	-27.61	288.88	195.56	-32.31

*(Source: Department of Commerce, Government of India)*  
*Automobiles include Motor Vehicles/cars and Two and Three Wheelers*

- Mexico, USA and South Africa were top three importers of India's Automobiles during April 2020- February 2021 with 14.13, 8.32 and 7.90 percent share in India's global exports respectively over the same period last fiscal.
- Egypt recorded a substantial growth of 256.74% followed by Austria with close to 70% growth in imports of the product group from India during April 2020- February 2021 over the same period last fiscal.

- ✚ Sri Lanka saw substantial decline of 97% in imports of automobile followed by South Africa which experienced the drop of more than 40% during April 2020- February 2021 compared to same period last fiscal.

**Table 13: Export of Non-Ferrous metals**  
US\$ Million

COUNTRY	February 2020	February 2021	Growth (%)	Apr-February 2019-20	Apr-February 2020-21	Growth (%)
<b>Top Five Importers</b>						
MALAYSIA	107.86	83.62	-22.48	1188.42	1430.14	20.34
KOREA	85.69	75.22	-12.22	1082.57	1186.31	9.58
CHINA	27.40	89.96	228.27	436.80	895.70	105.06
U S A	92.32	83.05	-10.04	862.38	720.30	-16.48
SINGAPORE	20.75	32.45	56.34	113.53	386.64	240.56
<b>High cumulative growth</b>						
GREECE	1.73	56.62	3176.36	17.87	123.43	590.78
SINGAPORE	20.75	32.45	56.34	113.53	386.64	240.56
CHINA	27.40	89.96	228.27	436.80	895.70	105.06
CANADA	5.91	6.52	10.48	36.59	56.61	54.70
ETHIOPIA	1.17	0.40	-65.50	33.05	46.26	39.97
<b>Sharp cumulative decline</b>						
ITALY	9.86	9.83	-0.29	107.81	71.24	-33.92
NEPAL	17.02	16.00	-6.03	167.42	126.68	-24.34
JAPAN	9.85	14.61	48.31	146.86	117.93	-19.70
U S A	92.32	83.05	-10.04	862.38	720.30	-16.48
THAILAND	10.42	27.84	167.12	192.24	163.64	-14.88

*(Source: Department of Commerce and CSO)*

- ✚ Malaysia, Korea and China were the top three importers of India's Non-ferrous metals and products' during April 2020- February 2021 with 18.20 percent, 15.10 percent and 11.40 percent shares respectively in India's global import of the same.
- ✚ Greece and Singapore experienced massive growth of 590.78% and 240.56% respectively followed by China at 105.06% in import of Non-ferrous metals and products during April 2020- February 2021.
- ✚ Italy conceded decline in imports by more than 33% for the said product group from India during April 2020- February 2021 vis-à-vis same period last fiscal.

**Table 14: Export of Electrical Machinery and Components**

US\$ Million

COUNTRY	February 2020	February 2021	Growth (%)	Apr-February 2019-20	Apr-February 2020-21	Growth (%)
<b>Top Five Importers</b>						
U S A	314.78	174.63	-44.52	2515.76	2307.46	-8.28
GERMANY	60.60	70.24	15.90	815.53	594.48	-27.11
SINGAPORE	23.28	30.25	29.95	406.31	307.23	-24.38
U A E	38.77	15.20	-60.78	238.08	264.53	11.11
U K	34.43	28.13	-18.29	600.55	254.93	-57.55
<b>High cumulative growth</b>						
HONG KONG	3.22	2.64	-17.95	36.19	99.20	174.07
NETHERLAND	6.02	11.60	92.72	52.48	101.25	92.91
VIETNAM	3.67	9.70	164.39	57.52	106.64	85.39
JAPAN	19.45	16.49	-15.23	112.48	204.92	82.19
POLAND	26.30	53.72	104.25	119.89	178.29	48.71
<b>Sharp cumulative decline</b>						
U K	34.43	28.13	-18.29	600.55	254.93	-57.55
NIGERIA	24.36	10.61	-56.44	239.83	108.53	-54.75
CHINA	7.14	10.15	42.17	199.09	126.94	-36.24
GERMANY	60.60	70.24	15.90	815.53	594.48	-27.11
SINGAPORE	23.28	30.25	29.95	406.31	307.23	-24.38

*(Source: Department of Commerce and CSO)*

- ✚ USA, Germany and Singapore were the top three importers of Indian Electrical Machinery and Components during April 2020-February 2021 with market shares of 31.77 percent, 8.18 percent and 4.23 percent respectively.
- ✚ Hong Kong recorded substantial growth of 174.07 % followed by Netherland and Vietnam at 92.91% and 85.39% in imports of India's Electrical Machinery and Components during April 2020- February 2021 vis-a-vis April 2019- February 2020.
- ✚ UK experienced the sharp decline of more than 57% in imports during April 2020-February 2021 when compared to April 2019- February 2020. It is also the case for Nigeria which experienced more than 50% drop.

**Table 15: Export of Aircrafts and Space crafts**  
US\$ million

COUNTRY	February 2020	February 2021	Growth (%)	Apr-February 2019-20	Apr-February 2020-21	Growth (%)
<b>Top Five Importers</b>						
U S A	41.09	24.31	-40.85	473.21	362.37	-23.42
FRANCE	14.95	15.23	1.85	157.48	174.71	10.94
SINGAPORE	12.49	5.42	-56.60	161.23	103.17	-36.01
U K	24.73	9.19	-62.83	163.31	76.80	-52.97
INDONESIA	0.15	0.09	-40.03	1.01	47.15	4589.25
<b>High cumulative growth</b>						
INDONESIA	0.15	0.09	-40.03	1.01	47.15	4589.25
IRELAND	0.02	0.15	596.17	2.13	11.04	418.85
SWITZERLAND	0.38	1.74	361.38	7.49	22.24	196.86
CANADA	0.69	0.59	-14.57	14.67	22.65	54.40
U A E	15.79	0.27	-98.28	21.99	26.95	22.55
<b>Sharp cumulative decline</b>						
U K	24.73	9.19	-62.83	163.31	76.80	-52.97
MALAYSIA	2.64	2.12	-19.80	48.50	26.27	-45.84
GERMANY	9.62	3.31	-65.57	71.42	42.44	-40.58
SINGAPORE	12.49	5.42	-56.60	161.23	103.17	-36.01
U S A	41.09	24.31	-40.85	473.21	362.37	-23.42

*(Source: Department of Commerce and CSO)*

- USA, France and Singapore were the top three importers of India's 'Aircrafts and Spacecrafts' during April 2020- February 2021 with around 34.41, 16.59 and 9.80 percent shares respectively in India's total global exports of the product.
- Indonesia is the top importer for the said product group with monumental growth of 4589.25% during April 2020- February 2021. Also, Ireland and Switzerland registered substantial growth of 418.85% and 196.86% respectively in import of the product group from India during April 2020- February 2021 as compared to the same period last fiscal.
- On the flipside, demand for India's 'Aircrafts &Spacecrafts' from UK, Germany, Malaysia and Singapore dropped by more than 35 percent year-on-year basis during April 2020- February 2021 when compared to April 2019 - February 2020.

**Table 16: Export of Ships, Boats and Floating Structures and parts**  
US\$ million



COUNTRY	February 2020	February 2021	Growth (%)	Apr-February 2019-20	Apr-February 2020-21	Growth (%)
<b>Top Five Importers</b>						
SINGAPORE	54.39	92.49	70.05	903.95	1148.15	27.02
SOUTH AFRICA	0.00	0.00	-	0.00	438.49	-
INDONESIA	415.31	14.97	-96.39	507.50	419.58	-17.32
U A E	183.03	2.45	-98.66	1188.47	398.01	-66.51
SRI LANKA	17.31	5.91	-65.85	228.69	270.08	18.10
<b>High cumulative growth</b>						
MALTA	0.00	0.00	-	0.01	115.41	1750348.27
PORTUGAL	0.00	0.00	-	0.01	144.11	989288.13
SAUDI ARABIA	0.00	0.06	58192.51	4.71	242.68	5048.76
SINGAPORE	54.39	92.49	70.05	903.95	1148.15	27.02
MALAYSIA	7.58	0.01	-99.89	198.93	248.71	25.02
<b>Sharp cumulative decline</b>						
CYPRUS	0.00	0.00	-	349.98	0.00	-100.00
LIBERIA	0.00	0.00	-	69.04	0.00	-100.00
NORWAY	0.00	0.00	-	58.33	0.00	-100.00
U K	0.00	0.00	-100.00	209.36	0.00	-100.00
U A E	183.03	2.45	-98.66	1188.47	398.01	-66.51

*(Source: Department of Commerce and CSO)*

**Note:** Export figures in case of some nations are showing zero due to rounding off but actually they are very small in value.

- ❖ Singapore, South Africa and Indonesia became the largest importer of ships, boats and floating structures in April 2020- February 2021 followed by U A E and Sri Lanka. Their respective shares are 29.69 percent, 11.34 percent, 10.85 percent, 10.29 percent and 6.98 percent.
- ❖ Though Malta and Portugal recorded negligible imports in February 2021 but the cumulative Imports to both the nations recorded meteoric increase as they had negligible import in April 2019 – February 2020. Saudi Arabia registered substantial growth of 5048.76% in import of the product group from India during April 2020-February 2021 as compared with the same period last fiscal.
- ✚ However, sharp decline of more than 65 percent was noticed in exports to U A E from India during April 2020- February 2021 as compared with the same period last fiscal whereas the exports dropped to zilch for Cyprus, Liberia, Norway and U K.

**Table 17: Export of Auto Components**  
US\$ Million

COUNTRY	February 2020	February 2021	Growth (%)	Apr-February 2019-20	Apr-February 2020-21	Growth (%)
<b>Top Five Importers</b>						
U S A	98.28	120.09	22.20	1089.53	974.93	-10.52
BANGLADESH	25.72	35.29	37.19	260.10	259.79	-0.12
TURKEY	26.19	35.53	35.68	248.08	254.74	2.69
GERMANY	22.73	29.32	28.97	240.33	243.09	1.15
VIETNAM	14.86	24.07	61.97	177.05	220.15	24.34
<b>High cumulative growth</b>						
CONGO	0.48	0.23	-51.86	3.41	6.46	89.65
SLOVAKIA	1.63	1.98	21.50	11.14	17.73	59.21
GUINEA	0.34	0.82	138.76	4.36	6.89	58.01
IRAQ	0.92	0.44	-52.48	4.37	6.69	53.14
SLOVENIA	1.37	2.50	82.22	13.57	20.48	50.86
<b>Sharp cumulative decline</b>						
PHILIPPINES	7.00	2.20	-68.62	84.94	24.53	-71.12
COLOMBIA	8.45	5.52	-34.66	72.14	34.51	-52.16
U A E	8.50	11.22	31.89	146.04	74.11	-49.26
INDONESIA	10.03	8.23	-17.93	112.15	59.64	-46.82
CANADA	7.12	5.66	-20.47	74.51	50.25	-32.57

*(Source: Department of Commerce and CSO)*

- + USA remained the top importer of auto components in April 2020- February 2021 with a share of 22.57 percent followed by Bangladesh, Turkey, Germany and Vietnam with respective shares of 6.01 percent, 5.90 percent, 5.63 percent and 5.10 percent.
- + Congo recorded increase of more than 89 percent followed by Slovakia, Guinea and Iraq in imports from April 2020- February 2021 when compared to April 2019 – February 2020.
- + Philippines and Colombia recorded significant decline of more than 50 percent in April 2020- February 2021 when compared to April 2019 – February 2020.

## Analysis of India's engineering imports

India's Engineering imports during February 2021 were valued at US\$ 8594.7 million compared to US\$ 8857.4 million in February 2020 registering a negative growth of 3.0 percent in dollar terms. In cumulative terms, engineering imports recorded a decline to the extent of 24.5% from US\$ 96582.9 million in April-February 2019-20 to US\$ 72891.0 million in April-February 2020-21.

The major engineering panels, like iron and steel, non-ferrous metals and medicinal & pharmaceutical products witnessed an increase in import while sectors like machine tools, machinery, electrical & non-electrical, transport equipment and professional instrument, optical goods, etc. recorded a decline during February 2021 compared to February 2020.

The share of engineering imports in India's total merchandise imports has decreased during February 2021 in comparison to February 2020 which has been estimated at 21.2%.

The monthly engineering import figures for fiscal April- February 2020-21 vis-a-vis April-February 2019-20 is depicted below as per the latest availability of figure:

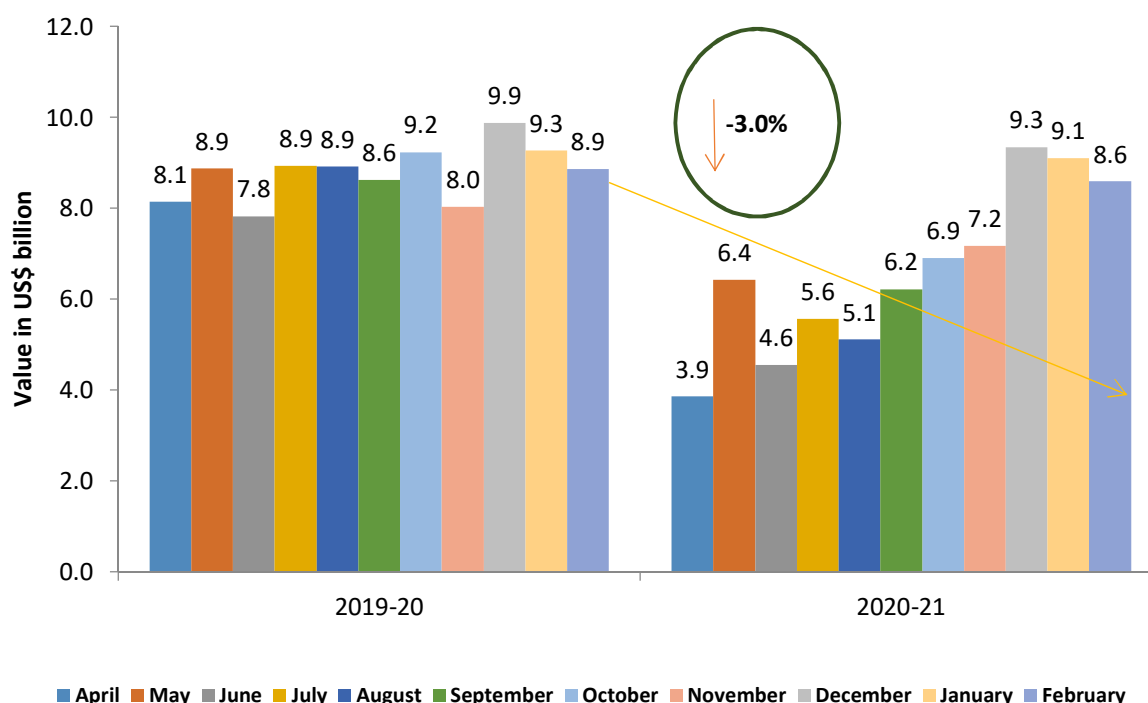
**Table 18: Monthly engineering Imports during 2020-21 (US\$ Mn.)**

Months	2019-20	2020-21	Growth (%)
April	8143.84	3858.97	-52.6
May	8875.24	6433.42	-27.5
June	7827.95	4558.01	-41.8
July	8938.17	5571.34	-37.7
Aug	8917.11	5114.42	-42.6
Sep	8618.02	6218.92	-27.8
Oct	9228.91	6911.83	-25.1
Nov	8029.28	7178.30	-10.6
Dec	9883.20	9342.97	-5.5
Jan	9265.69	9106.00	-1.7
Feb	96582.9	72891.0	-3.0

The figure below depicts engineering imports for April-Feb 2021 compared to April-Feb 2020

**Figure 5: Monthly Engineering Imports for April- Feb 2021 vis-a-vis April- Feb 2020**

## Monthly Engineering Imports for 2020-21 vis-a-vis 2019-20



Source: EEPC India analysis

We now present the trend in two way yearly trade for the engineering sector from 2014-15 to 2019-20 as well as the current fiscal 2020-21 depicted in the table below:

**Table 19: Year-wise trend in engineering trade**

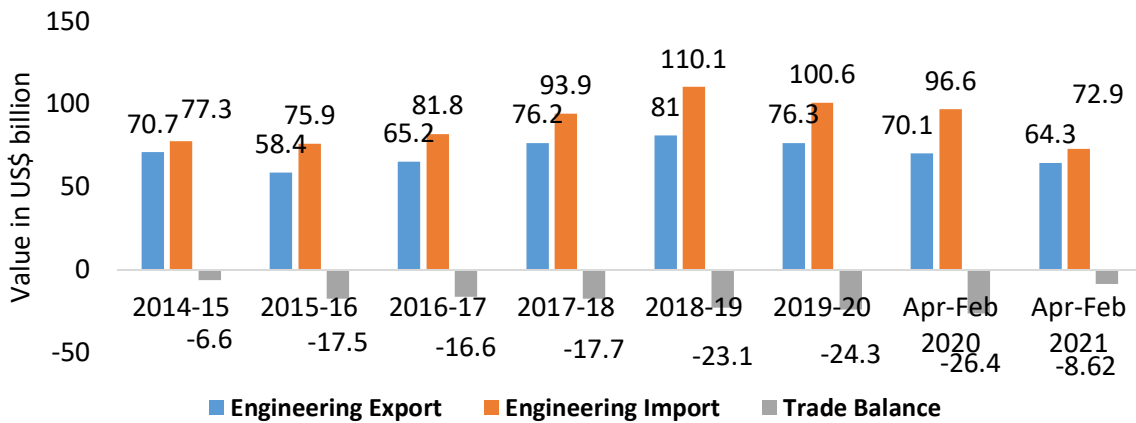
(US\$ Billions)

Trade Flow	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Growth (%)	Apr-Feb 2019-20	Apr-Feb 2020-21	Growth (%)
Engineering Export	70.7	58.4	65.2	76.2	81.0	76.3	-5.8	70.1	64.3	-8.4
Engineering Import	77.3	75.9	81.8	93.9	110.1	100.6	-8.7	96.6	72.9	-24.5
Trade Balance	-6.6	-17.5	-16.6	-17.7	-23.1	-24.3		-26.4	-8.62	

Source: DGCI&S, EEPC India Analysis

Figure 6 below depicts the yearly trend in engineering trade from 2014-15 to 2019-20 as well as the current fiscal April-Feb 2020-21

**Figure 6: Trend in Yearly Engineering Trade**



## Conclusion

After showing signs of year-on-year recovery in the previous month, India’s engineering exports have declined again in February 2021. However, it is mention worthy in this regard that some unfavourable base effect was also attributed to this decline as engineering exports during the month of February of the last fiscal witnessed a sudden surge. While this decline is a cause of concern for the exporting community in India, there are some positive news in the global market. As per the UNCTAD Global Trade Update of February, 2021 global trade has recorded some recovery in the last quarter of the year 2020 and the overall decline was reduced to around 9 percent.

The government however is leaving no stone unturned to increase the pace of exports to pre-COVID level. In this context we should also mention the various incentives provided by the government to the exporting community in the recent budget 2021-22. The lowering of basic customs duty on key inputs like copper and steel and capacity boosting schemes such as the PLI scheme are expected to be of significant help to the exporting community. These incentives coupled with the gradual recovery in the global arena may lead to a positive trend in Indian exports in the coming days.

